

# OAKSIDE PREP ACADEMY



Financial Statements as of and for the Year Ended  
June 30, 2021, Required Supplemental Information  
and Additional Information for the Year Ended  
June 30, 2021, Federal Awards Supplemental  
Information for the Year Ended June 30, 2021, and  
Independent Auditor's Reports

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# OAKSIDE PREP ACADEMY

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## Independent Auditor's Report

To the Board of Directors  
Oakside Prep Academy

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Oakside Prep Academy (the "Academy") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Oakside Prep Academy's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Oakside Prep Academy as of June 30, 2021 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
Oaksid e Prep Academy

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oaksid e Prep Academy's basic financial statements. The schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and statement of revenues - General Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statement of revenues - General Fund has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021 on our consideration of Oaksid e Prep Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oaksid e Prep Academy's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

October 18, 2021

# OAKSIDE PREP ACADEMY

## MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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This section of the annual financial report for Oakside Prep Academy (the "Academy"), formerly Oakside Scholars Charter Academy, provides an overview of the Academy's financial activities as of and for the fiscal year ended June 30, 2021. It should be read in conjunction with the financial statements, which immediately follow this section.

### Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy financially as a whole. The Academy-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of the Academy's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the Academy-wide financial statements by providing information about the Academy's most significant fund — the General Fund — with the other fund presented in one column as the major School Service Fund.

Management's Discussion and Analysis  
(Required Supplemental Information)

#### Basic Financial Statements

Academy-wide Financial Statements      Fund Financial Statements

Notes to Basic Financial Statements

(Required Supplemental Information)  
Budgetary Information for the Governmental Funds

(Additional Information)  
Statement of Revenues — General Fund

### Reporting the Academy as a whole — Academy-wide Financial Statements

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The Academy's Statement of Net Position — the difference between assets and liabilities, as reported in the Statement of Net Position — is one way to measure the Academy's financial position. The relationship between revenues and expenses is the Academy's operating results. The Academy's goal is to provide services to our students, not to generate profits as private sector companies do. One must consider nonfinancial factors, such as the quality of the education provided and the safety of the Academy, to assess the overall health of the Academy.

The Statement of Net Position and the Statement of Activities report the activities of the Academy, all of which are classified as governmental. These activities encompass all the Academy's services, including instruction, support services and food services. State aid (based on student count) and state and federal grants finance most of these activities. The Academy has entered into a services agreement (the "agreement") with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

### **Reporting the Academy's Fund Financial Statements**

The Academy's fund financial statements provide detailed information about the most significant funds — not the Academy as a whole. Some funds are required to be established by state law. However, the Academy establishes other funds to help it control and manage money for particular purposes or as required by state law (the School Service Fund is an example). The governmental funds of the Academy use the following accounting approach:

*Governmental Funds* — All of the Academy's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting. Only those revenues that are "measurable" and "currently available" are reported. Liabilities are recognized when incurred. The governmental fund statements provide a short-term view of the operations of the Academy and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations presented as part of the statements.

## The Academy as a Whole

Recall that the Statement of Net Position provides the perspective of the Academy as a whole. The table below provides a summary of the Academy's net position as of June 30:

	<b>2021</b>	<b>2020</b>
Assets:		
Current assets	\$ 1,629,645	\$ 1,348,557
Capital assets, net of accumulated depreciation	<u>57,626</u>	<u>7,368</u>
Total assets	1,687,271	1,355,925
Liabilities - current	<u>1,299,680</u>	<u>1,055,683</u>
Net position:		
Net investment in capital assets	57,626	7,368
Restricted - School Service Fund	264,146	240,126
Unrestricted	<u>65,819</u>	<u>52,748</u>
Total net position	<u>\$ 387,591</u>	<u>\$ 300,242</u>

The unrestricted net position of governmental activities represents the accumulated results of life-to-date operations. These assets can be used to finance day-to-day operations without constraints, such as legislative or legal requirements. The results of the current-year operations for the Academy as a whole are reported in the Statement of Activities, which shows the change in net position.

The results of operations for the Academy as a whole are reported in the summarized Statements of Activities (below) which show the changes in net position for the fiscal years ended June 30:

	<b>2021</b>	<b>2020</b>
Revenues:		
State aid	\$ 6,629,391	\$ 6,119,867
Operating grants	2,241,832	2,142,193
Charges for services	<u>-</u>	<u>56</u>
Total revenues	8,871,223	8,262,116
Expenses—		
Contracted service fee:		
Instruction	3,988,445	4,178,573
Support services	4,663,698	3,702,280
Food services	130,194	330,277
Depreciation (unallocated)	<u>1,537</u>	<u>1,106</u>
Total expenses	<u>8,783,874</u>	<u>8,212,236</u>
Change in net position	<u>\$ 87,349</u>	<u>\$ 49,880</u>

As reported in the Statement of Activities, the cost of governmental activities was \$8,783,874. These activities were primarily funded by the Academy's state aid (based on student count) and governments and organizations that subsidized certain programs with grants.

The Academy experienced an increase in net position of \$87,349 in 2021. The primary reason for the change in net position is due to income from the Academy's food service program which has significant restrictions on allowable ways that funds may be spent.

A reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities appears on page 11.

### **Fund Financial Statements**

As we noted earlier, the Academy uses funds to help it control and manage money for particular purposes or as required by state law. Looking at funds helps the reader to consider whether the Academy is being accountable for the resources that the State and others provide to it and may provide more insight into the Academy's overall financial health.

The Academy's instruction and support services activities are reported in the General Fund. The School Service Fund represents food service activities. The Academy's combined fund balance was \$329,965 at June 30, 2021.

A reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position appears on page 10.

### **General Fund Budgetary Highlights**

Over the course of the year, the Academy revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

Budgeted revenues for the General Fund were increased by \$1,139,625 from the original budget. Revenues were changed to reflect the following:

State Aid	<i>Increase</i>
Other State Sources	<i>Decrease</i>
Interdistrict Sources	<i>Decrease</i>
Federal Sources	<i>Increase</i>
Private Sources	<i>Decrease</i>

Budgeted expenditures for the General Fund were increased by \$1,139,625. This change was to reflect the change in anticipated funding. Significant variances between the final budget and actual amounts are disclosed in the notes to the financial statements (Refer to Note 2).

### **Capital Assets**

At June 30, 2021, the Academy had \$57,626 invested in capital assets, primarily other equipment. Capital assets are substantially provided as part of the agreement with NHA.

## **General Economic Factors and Next Year's Budgets**

Our officials and administration consider many factors when setting the Academy's 2022 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2022 fiscal year is expected to be 90% and 10% of the October 2021 and February 2021 student counts, respectively. The 2022 budget was adopted in May 2021. Approximately 70% of total General Fund revenue is from the foundation allowance. As a result, Academy funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2022 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2022 budget. Once the final student count and related per pupil funding are validated, state law requires the Academy to amend the budget if actual Academy resources are not sufficient to fund original appropriations.

Since the Academy's revenue is heavily dependent on state funding and the health of the State's school aid fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to public school academies. The State periodically holds a revenue-estimating conference to estimate revenues. If the State estimates funds are not sufficient to fund the appropriation, the legislature must revise the appropriation or proration of state aid will occur.

## **Contacting the Academy's Financial Management**

The financial report is designed to provide users of the report with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report, contact the Chief Financial Officer of National Heritage Academies, Inc., 3850 Broadmoor SE, Suite 201; Grand Rapids, Michigan 49512.

# OAKSIDE PREP ACADEMY

## STATEMENT OF NET POSITION

JUNE 30, 2021

	<b>Governmental Activities</b>
<b>ASSETS</b>	
CURRENT ASSETS:	
Cash	\$ 69,495
Prepaid expenses	4,309
Due from governmental revenue sources	<u>1,555,841</u>
Total current assets	<u>1,629,645</u>
NON-CURRENT ASSETS:	
Capital assets	62,850
Less accumulated depreciation	<u>(5,224)</u>
Total capital assets, net of accumulated depreciation	<u>57,626</u>
TOTAL	<u><u>\$ 1,687,271</u></u>
<b>LIABILITIES AND NET POSITION</b>	
LIABILITIES:	
Unearned revenue	\$ 78,733
Accounts payable	3,677
Contracted service fee payable	<u>1,217,270</u>
Total liabilities	<u>1,299,680</u>
NET POSITION:	
Net investment in capital assets	57,626
Restricted - School Service Fund	264,146
Unrestricted	<u>65,819</u>
Total net position	<u>387,591</u>
TOTAL	<u><u>\$ 1,687,271</u></u>

See notes to financial statements.

# OAKSIDE PREP ACADEMY

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS —	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	
Contracted service fee:				
Instruction	\$ 3,988,445	\$ -	\$ 1,157,141	\$ (2,831,304)
Support services	4,663,698	-	930,477	(3,733,221)
Food services	130,194	-	154,214	24,020
Depreciation (unallocated)	1,537	-	-	(1,537)
	<u>8,783,874</u>	<u>\$ -</u>	<u>\$ 2,241,832</u>	
Total governmental activities				(6,542,042)
GENERAL PURPOSE REVENUES:				
State aid unrestricted				<u>6,629,391</u>
CHANGE IN NET POSITION				87,349
NET POSITION:				
Beginning of year				<u>300,242</u>
End of year				<u>\$ 387,591</u>

See notes to financial statements.

# OAKSIDE PREP ACADEMY

## BALANCE SHEET — GOVERNMENTAL FUNDS JUNE 30, 2021

	General Fund	School Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 69,495	\$ -	\$ 69,495
Prepaid expenses	4,309	228,005	232,314
Due from governmental revenue sources	<u>1,519,169</u>	<u>36,672</u>	<u>1,555,841</u>
<b>TOTAL</b>	<b><u>\$ 1,592,973</u></b>	<b><u>\$ 264,677</u></b>	<b><u>\$ 1,857,650</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Unearned revenue	\$ 78,202	\$ 531	\$ 78,733
Accounts payable	3,677	-	3,677
Contracted service fee payable	<u>1,409,689</u>	<u>-</u>	<u>1,409,689</u>
Total liabilities	<u>1,491,568</u>	<u>531</u>	<u>1,492,099</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>35,586</u>	<u>-</u>	<u>35,586</u>
Total liabilities and deferred inflows of resources	<u>1,527,154</u>	<u>531</u>	<u>1,527,685</u>
<b>FUND BALANCE:</b>			
Nonspendable - School Service Fund	-	228,005	228,005
Restricted - School Service Fund	-	36,141	36,141
Committed	10,686	-	10,686
Unassigned	<u>55,133</u>	<u>-</u>	<u>55,133</u>
Total fund balance	<u>65,819</u>	<u>264,146</u>	<u>329,965</u>
<b>TOTAL</b>	<b><u>\$ 1,592,973</u></b>	<b><u>\$ 264,677</u></b>	<b><u>\$ 1,857,650</u></b>

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total governmental fund balance	\$ 329,965
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Capital assets cost	\$ 62,850
Accumulated depreciation	<u>(5,224)</u>
Due from governmental revenue sources not available to pay current period expenditures therefore deferred in the funds	35,586
Contracted service fee payable not due and payable in the current period and not reported in the funds	<u>(35,586)</u>
Net position of governmental activities	<b><u>\$ 387,591</u></b>

See notes to financial statements.

## OAKSIDE PREP ACADEMY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2021

	General Fund	School Service Fund	Total Governmental Funds
REVENUES:			
State aid	\$ 6,630,778	\$ -	\$ 6,630,778
Other state sources	740,587	9,184	749,771
Federal sources	1,218,175	145,030	1,363,205
Private sources	12,335	-	12,335
Interdistrict sources	169,310	-	169,310
	<u>8,771,185</u>	<u>154,214</u>	<u>8,925,399</u>
EXPENDITURES — Contracted service fee:			
Instruction	3,988,445	-	3,988,445
Support services	4,769,669	-	4,769,669
Food services	-	130,194	130,194
	<u>8,758,114</u>	<u>130,194</u>	<u>8,888,308</u>
NET CHANGE IN FUND BALANCE	13,071	24,020	37,091
FUND BALANCE — Beginning of year	<u>52,748</u>	<u>240,126</u>	<u>292,874</u>
FUND BALANCE — End of year	<u>\$ 65,819</u>	<u>\$ 264,146</u>	<u>\$ 329,965</u>

#### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Net change in fund balance — total governmental funds	\$ 37,091
Governmental funds report capital outlays as expenditures, in the statement of activities these costs are allocated over their useful lives as depreciation	50,258
Revenue reported in the statement of activities that does not provide current financial resources and are not reported as revenue in the governmental funds	35,586
Revenue reported in the governmental funds as available and measurable — reported in the statement of activities in prior years	(89,762)
Contracted service fee recognized consistent with the revenue policy	<u>54,176</u>
Change in net position of governmental activities	<u>\$ 87,349</u>

See notes to financial statements.

# OAKSIDE PREP ACADEMY

## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### 1. NATURE OF OPERATIONS

Oaksides Prep Academy (the "Academy"), formerly Oaksides Scholars Charter Academy, is a Michigan Public School Academy that provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy provides education, at no cost to the parent, to students in kindergarten through eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. The Academy operates under a charter contract approved by Bay Mills Community College, which is responsible for oversight of the Academy's operations. The charter contract expires June 30, 2029 and is subject to renewal. Bay Mills Community College Board of Trustees receives three percent of state aid funds as an administrative fee. The total administrative fee for year ended June 30, 2021, paid to the Bay Mills Community College Board of Trustees was \$222,512.

The Academy is exempt from taxation as a governmental entity pursuant to Internal Revenue Code Section 115. The Academy qualifies for public charity status by meeting the requirements of Internal Revenue Code Sections 509(1) and 170(b)(1)(A)(ii).

The Academy's primary source of revenue is provided by the State of Michigan and consists of an amount per student multiplied by weighted average student counts. The state revenue is recognized ratably over the school year and is funded through payments from October 2020 through August 2021.

The Board of Directors of the Academy has entered into a services agreement (the "agreement") with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. The agreement will continue until the termination or expiration of the charter contract, up to a maximum of five years, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the Academy or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Academy-Wide and Fund Financial Statements** — The Academy-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Academy's government-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported instead as general revenue.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*Academy-Wide Statements* — The Academy-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has been eliminated from the Academy-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net position, or fund balance are available, the Academy's policy is to first apply restricted resources. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the Academy's policy to spend funds in this order: committed, assigned and unassigned.

*Fund Based Statements* — Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue not meeting this definition is classified as a deferred inflow of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The contracted service fee to NHA is recorded consistent with the recognition of revenue. Interfund transfers are used to subsidize operations of the School Service Fund.

*Fund Classification* — The financial activities of the Academy are organized on the basis of funds. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

*General Fund* — The General Fund is used to account for the general educational programs of the Academy. Its revenues are derived primarily from the State of Michigan.

*School Service Fund* — The School Service Fund is used to account for the food service operation. Its revenues are derived primarily from a federal grant and student charges.

*Capital Assets* — Capital assets, which include other equipment, are reported in the applicable governmental column in the Academy-wide financial statements at historical costs of more than \$5,000 and an estimated useful life in excess of one year.

Other equipment is depreciated using the straight-line method over useful lives of 3–10 years.

*Estimates* — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

*Cash* — Cash as of June 30, 2021 represents bank deposits which are covered by federal depository insurance. Accordingly, there are no investments which are required to be categorized according to risk.

*Unavailable and Unearned Revenue* — Unavailable revenue is reported in connection with receivables for revenue that is not considered available and measurable to liquidate liabilities of the current period. Unearned revenue is reported in connection with funds that have been received for services which have not been performed and is therefore not yet earned. As of June 30, 2021, a deferred inflow for unavailable revenue was recognized for \$35,586 and a liability for unearned revenue was recognized for \$78,733.

*Contracted Service Fee Payable* — Contracted service fee payable as of June 30, 2021 represents a timing difference between funds received from governmental sources and amounts payable to NHA in accordance with the agreement.

*Fund Balance* — Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned. The terms nonspendable and restricted are used either to indicate that certain assets do not represent spendable resources available for general educational programs or to earmark a portion of fund balance as legally segregated for a specific future use. The term committed represents amounts that can only be used for the specific purpose determined by a formal resolution of the board. The term assigned is used to classify the fund balance intended to be used by the board, but does not meet the criteria to be restricted or committed. The term unassigned is used for amounts that have not been restricted, committed, or otherwise assigned for future uses. At June 30, 2021, the Academy had \$228,005 in nonspendable fund balance, \$36,141 in restricted fund balance, \$10,686 in committed fund balance, and \$55,133 in unassigned fund balance. The committed fund balance has been committed by resolutions of the Board of Directors for student, parent and staff appreciation, athletics, and board training and development.

*Budgetary Information* — Annual budgets are adopted on a basis utilizing generally accepted accounting principles and consistent with state law for the general and special revenue funds.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Academy to have its budget in place by July 1. The budgets can be amended by the Board of Directors as considered necessary. The budgets were amended to increase budgeted revenues and expenditures for

the General Fund by \$1,139,625, and to decrease budgeted revenues and expenditures for the School Service Fund by \$347,625 and \$319,134, respectfully.

During the year ended June 30, 2021, the Academy incurred expenditures within the General fund which were in excess of amounts budgeted for Central Services with a final budget and actual amount of \$611,581 and \$704,437, respectively.

During the year ended June 30, 2021, the Academy also incurred expenditures within the General fund which exceeded appropriations at the fund level by \$2,464. This overage was funded by revenues in excess of amounts budgeted of \$5,914, resulting in a net increase of \$24,020 to the fund balance.

*Recent Accounting Pronouncements* - In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Academy's financial statements for the year ending June 30, 2022.

*Subsequent Events* – The financial statements and related disclosures include evaluation of events up through the report date, which is the date the financial statements were available to be issued.

### **3. DUE FROM GOVERNMENTAL REVENUE SOURCES**

Receivables as of June 30, 2021 for the Academy included \$1,206,140 in state aid receivable, \$71,423 in other state sources, \$261,431 in federal grants receivable, and \$16,847 in other receivables. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

### **4. RISK MANAGEMENT**

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2021, and claims did not exceed coverage less retained risk deductible amounts in the past three fiscal years.

## 5. CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities —				
Other equipment	\$ 19,689	\$ 51,795	\$ (8,634)	\$ 62,850
Less accumulated depreciation —				
Other equipment	<u>12,321</u>	<u>1,537</u>	<u>8,634</u>	<u>5,224</u>
Total governmental activities —				
Capital assets, net	<u>\$ 7,368</u>	<u>\$ 50,258</u>	<u>\$ (17,268)</u>	<u>\$ 57,626</u>

## 6. CONTINGENCIES

The Academy has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

## 7. OPERATING LEASE

The Academy has entered into a sublease agreement with NHA for a facility to house the Academy. The lease term is from July 1, 2020 through June 30, 2021. Annual rental payments required by the lease are \$755,364 payable in twelve monthly payments of \$62,947. This lease is automatically renewed on a year-to-year basis unless a notice of non-renewal is provided by either the Academy or NHA.

The Academy subsequently renewed the sublease with NHA for the period of July 1, 2021 through June 30, 2022, at the same rental rate.

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**REQUIRED SUPPLEMENTAL INFORMATION**

**OAKSIDE PREP ACADEMY**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>(Under) Over Final Budget</u>
<b>REVENUES:</b>				
State aid	\$ 6,054,900	\$ 6,630,797	\$ 6,630,778	\$ (19)
Other state sources	965,948	857,132	740,587	(116,545)
Interdistrict sources	244,601	169,310	169,310	-
Federal sources	813,288	1,592,523	1,218,175	(374,348)
Private sources	38,000	6,600	12,335	5,735
Total revenues	<u>8,116,737</u>	<u>9,256,362</u>	<u>8,771,185</u>	<u>(485,177)</u>
<b>EXPENDITURES - Contracted service fee:</b>				
Instruction:				
Basic instruction	2,419,383	2,971,929	2,600,052	(371,877)
Added needs	1,866,060	1,564,897	1,388,393	(176,504)
Support services:				
Pupil services	273,932	232,759	228,974	(3,785)
Instructional staff services	887,493	1,007,244	960,967	(46,277)
General administration	368,706	415,067	438,603	23,536
School administration	524,103	711,704	776,345	64,641
Business support services	108,238	174,656	191,353	16,697
Central services	425,291	611,581	704,437	92,856
Pupil transportation services	6,750	4,340	60	(4,280)
Operations and maintenance	1,236,781	1,562,185	1,468,930	(93,255)
Total expenditures	<u>8,116,737</u>	<u>9,256,362</u>	<u>8,758,114</u>	<u>(498,248)</u>
NET CHANGE IN FUND BALANCE	-	-	13,071	13,071
FUND BALANCE - Beginning of year	<u>52,748</u>	<u>52,748</u>	<u>52,748</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 52,748</u>	<u>\$ 52,748</u>	<u>\$ 65,819</u>	<u>\$ 13,071</u>

**OAKSIDE PREP ACADEMY**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SCHOOL SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>(Under) Over Final Budget</u>
REVENUES:				
Other state sources	\$ 8,233	\$ 9,600	\$ 9,184	\$ (416)
Federal sources	487,692	138,700	145,030	6,330
Total revenues	<u>495,925</u>	<u>148,300</u>	<u>154,214</u>	<u>5,914</u>
EXPENDITURES - Contracted service fee:				
Food services	<u>446,864</u>	<u>127,730</u>	<u>130,194</u>	<u>2,464</u>
NET CHANGE IN FUND BALANCE	49,061	20,570	24,020	3,450
FUND BALANCE - Beginning of year	<u>240,126</u>	<u>240,126</u>	<u>240,126</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 289,187</u>	<u>\$ 260,696</u>	<u>\$ 264,146</u>	<u>\$ 3,450</u>

## **ADDITIONAL INFORMATION**

# OAKSIDE PREP ACADEMY

## ADDITIONAL INFORMATION STATEMENT OF REVENUES — GENERAL FUND YEAR ENDED JUNE 30, 2021

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State aid	\$	6,630,778
Other state sources:		
Special education		168,059
At-risk		523,216
Grants		<u>49,312</u>
Total		740,587
Federal sources — grants		1,218,175
Private sources — other		12,335
Interdistrict sources		<u>169,310</u>
TOTAL	\$	<u><u>8,771,185</u></u>

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

**Independent Auditor's Report**

To Management and the Board of Directors  
Oakside Prep Academy

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and the major funds of Oakside Prep Academy (the "Academy") as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 18, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oakside Prep Academy's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oakside Prep Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Directors  
Oakside Prep Academy

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alente & Morse, PLLC*

October 18, 2021

## **SUPPLEMENTAL INFORMATION**

Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Directors  
Oakside Prep Academy

**Report on Compliance for Each Major Federal Program**

We have audited Oakside Prep Academy's (the "Academy") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Academy's major federal program for the year ended June 30, 2021. Oakside Prep Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Oakside Prep Academy's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oakside Prep Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Oakside Prep Academy's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Oakside Prep Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

To the Board of Directors  
OaksidE Prep Academy

### **Report on Internal Control Over Compliance**

Management of OaksidE Prep Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered OaksidE Prep Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Morse, PLLC*

October 18, 2021

# OAKSIDE PREP ACADEMY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2021

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipient
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities) - National Lunch Program Bonus Commodities 2020-21										
	N/A	10.555	\$ 27,902	\$ -	\$ -	\$ -	\$ 27,902	\$ 27,902	\$ -	\$ -
Cash Assistance:										
COVID-19 Unanticipated School Closure Program 2019-2020	200902	10.555	36,202	36,202	2,583	-	2,583	-	-	-
National School Lunch Program 2019-20	201960	10.555	1,840	-	-	-	1,840	1,840	-	-
National School Lunch Program 2020-21	211960	10.555	10,343	-	-	-	10,343	10,343	-	-
National School Lunch Program (incl. commodities) Subtotal		10.555	76,287	36,202	2,583	-	42,668	40,085	-	-
National School Breakfast Program 2019-20	201970	10.553	73,537	72,382	-	-	1,155	1,155	-	-
National School Breakfast Program 2020-21	211970	10.553	5,266	-	-	-	5,266	5,266	-	-
National School Breakfast Program Subtotal		10.553	78,803	72,382	-	-	6,421	6,421	-	-
Extended Summer Food Service Program 2020-2021	210904	10.559	63,319	-	-	-	63,319	98,524	35,205	-
Total Child Nutrition Cluster			218,409	108,584	2,583	-	112,408	145,030	35,205	-
Special Education Cluster - U.S. Department of Education -										
Passed through the Oakland ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 2021	210450	84.027	191,099	-	-	-	191,099	191,099	-	-
IDEA Preschool Incentive:										
IDEA Preschool 2021	210460	84.173	2,119	-	-	-	2,119	2,119	-	-
Total Special Education Cluster			193,218	-	-	-	193,218	193,218	-	-

# OAKSIDE PREP ACADEMY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) YEAR ENDED JUNE 30, 2021

Program Title/Project Number/Subrecipient Name	Grant/Project Number	CFDA Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipient
Other federal awards:										
Passed through the Michigan Department of Education:										
Title I Part A:										
Title I Part A 1920	201530	84.010	452,815	423,482	109,434	-	109,514	80	-	-
Title I Part A 2021	211530	84.010	444,061	-	-	-	338,952	371,947	32,995	-
Total Title I Part A		84.010	896,876	423,482	109,434	-	448,466	372,027	32,995	-
Title II Part A - Improving Teacher Quality:										
Title II Part A 1920	200520	84.367	53,998	22,366	948	-	1,188	240	-	-
Title II Part A 2021	210520	84.367	87,971	-	-	-	50,766	52,729	1,963	-
Total Title II Part A		84.367	141,969	22,366	948	-	51,954	52,969	1,963	-
Title IV Part A - Student Support & Academic Enrichment:										
Title IV Part A 1920	200750	84.424	27,832	20,013	1,110	-	2,106	996	-	-
Title IV Part A 2021	210750	84.424	34,684	-	-	-	10,597	10,597	-	-
Total Title IV Part A		84.424	62,516	20,013	1,110	-	12,703	11,593	-	-
Education Stabilization Fund Program - U.S. Department of Education										
Passed through Michigan Department of Education										
COVID-19 ESSER Formula Fund I	203710	84.425D	314,692	-	-	-	39,930	208,221	168,291	-
COVID-19 ESSER Education Equity Fund I	203720	84.425D	56,644	-	-	-	4,562	4,650	88	-
Total ESSER			371,336	-	-	-	44,492	212,871	168,379	-
COVID-19 Governor's Emergency Education Relief Fund (GEER)	201200	84.425C	86,790	-	-	-	6,704	29,593	22,889	-
Total Education Stabilization Fund Program		84.425	458,126	-	-	-	51,196	242,464	191,268	-
Total U.S. Department of Education noncluster programs			1,559,487	465,861	111,492	-	564,319	679,053	226,226	-
Coronavirus Relief Fund - U.S. Department of Treasury										
Passed through Michigan Department of Education										
COVID-19 11p - CRF School Aid	20-21	21.019	271,782	-	-	-	271,782	234,931	(36,851)	-
COVID-19 103(2) - District COVID Costs	20-21	21.019	9,567	-	-	-	9,567	9,567	-	-
Total CRF passed through Michigan Department of Education			281,349	-	-	-	281,349	244,498	(36,851)	-
Passed through Oakland County										
COVID-19 - CRF Oakland Together Schools COVID Support Funds	20-21	21.019	114,651	-	-	-	114,651	114,651	-	-
Total Coronavirus Relief Fund		21.019	396,000	-	-	-	396,000	359,149	(36,851)	-
Total federal awards			\$ 2,367,114	\$ 574,445	\$ 114,075	\$ -	\$ 1,265,945	\$ 1,376,450	\$ 224,580	\$ -

## OAKSIDE PREP ACADEMY

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### Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	\$	1,363,205
Revenue reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds		27,667
Revenue reported in the governmental funds as available and measurable – Reported in the statement of activities in the prior year		<u>(14,422)</u>
Federal expenditures per the schedule of expenditures of federal awards	\$	<u><b>1,376,450</b></u>

# OAKSIDE PREP ACADEMY

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## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oaksides Prep Academy (the "Academy") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures, except for those related to CFDA 21.019, Coronavirus Relief Fund (CRF), are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CRF does not apply the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as codified in the Federal Register.

Pass-through entity identifying numbers are presented where available.

The Academy has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

### Note 3 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

### Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance and is included in the schedule of expenditures of federal awards.

**OAKSIDE PREP ACADEMY**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   None reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
21.019	Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**Section II - Financial Statement Audit Findings**

Reference Number	Finding	Questioned Costs
<b>Current Year</b>	None	

**Section III - Federal Program Audit Findings**

Reference Number	Finding	Questioned Costs
<b>Current Year</b>	None	